



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

December 9, 2005

Michael Lux, Treasurer
21st Century Democrats
1731 Connecticut Avenue NW, Second Floor
Washington, DC 20009

Response Due Date:
January 9, 2006

Identification Number: C00230342

Reference: Amended February Monthly Report (1/1/05-1/31/05), received 10/31/05

Dear Mr. Lux:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule H4 discloses payments made to credit card companies for shared federal and non-federal activity. Please be advised that these payments must identify as memo entries, the original vendors from which you have purchased an item or service regardless of the amount. Please amend your report by providing the name and mailing address of the original vendor, along with the date, amount and purpose of each expenditure and clearly identify on the Schedule H4, which credit card payment each memo entry relates to. 11 CFR §§104.10 and 104.17

-Schedule H4 of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3

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-Schedule B discloses an expenditure(s) for "Direct Mail Consulting," and "Direct Mail Processing." Please be advised that public communications (as defined by 11 CFR §100.26) and voter drive activity (under 11 CFR §106.6(b)(2)(i)) containing express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution or an independent expenditure and should be properly disclosed on a Schedule B or E supporting Line 23 or 24 as appropriate. Public communications and voter drive activity that refer to a clearly identified Federal candidate, but that do not expressly advocate the election or defeat of that candidate should be reported on Schedule B for Line 21(b) of the Detailed Summary Page. Please clarify whether this activity contained express advocacy and amend your report to properly disclose this activity, if necessary.

-Schedule H4 discloses an expenditure(s) for "Communications Consulting." Please be advised that public communications (as defined by 11 CFR §100.26) and voter drive activity (under 11 CFR §106.6(b)(2)(i)) containing express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution or an independent expenditure and should be properly disclosed on a Schedule B or E supporting Line 23 or 24 as appropriate. Public communications and voter drive activity that refer to a clearly identified Federal candidate, but that do not expressly advocate the election or defeat of that candidate should be reported on Schedule B for Line 21(b) of the Detailed Summary Page.

Furthermore, the costs for public communications and voter drive activity that refer to one or more clearly identified Federal candidates must be paid for with 100% federal funds. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for public communications and voter drive activity referencing a clearly identified Federal candidate is not permissible and must be returned. 11 CFR §106.6(f)

Please clarify this activity and amend your report, if necessary, to properly disclose this activity. In addition, please inform the Commission of any corrective action immediately. Although the Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

-Schedule H1 of your report does not indicate which category(s) of activity your allocation ratio applies to. Please amend your report to check all categories for which the ratio disclosed applies. 11 CFR §104.10(b)(1)

Please note, you will not receive an additional notice from the Commission on

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this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1136.

Sincerely,



Jodi Winship
Campaign Finance Analyst
Reports Analysis Division

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